

**CORRECTED FISCAL NOTE**  
**SB 1912 - HB 2233**

March 4, 2005

**SUMMARY OF BILL:** Prohibits the Board of Directors of the Tennessee Education Lottery Corporation (TELC) from approving compensation for the chief executive officer (CEO) that exceeds the compensation paid to the director of TennCare, unless the Board has received prior written approval from the governor stating that the higher salary is necessary, appropriate and in the best interest of the people of Tennessee.

**ESTIMATED FISCAL IMPACT:**

On March 1, 2005, we issued a fiscal note on this bill that indicated *other fiscal impact up to \$450,000 dependent upon whether bonus compensation is included for purposes set forth in this legislation*. Based on additional information provided, the estimated fiscal impact of this bill is:

**(Corrected)**

**Other Fiscal Impact – The impact of this bill depends on whether bonus compensation is to be included for purposes set forth in this legislation and whether the governor would approve a higher compensation. Enactment of this bill could decrease Tennessee Education Lottery Corporation expenditures by an amount up to \$383,600 if the governor does not approve a higher compensation and the TELC CEO's total compensation does not increase or decrease in subsequent fiscal years. This reduction in expenditures could fund additional scholarships or other constitutionally permissible expenditures provided there is no offsetting or greater decrease of lottery sales revenue.**

Assumptions:

- TELC CEO's base salary and bonus compensation does not increase or decrease in subsequent years.
- To the extent the governor does not approve a higher compensation for the CEO, and bonus pay is not included for purposes set forth in this legislation, administrative expenditures of the TELC could decrease by approximately \$133,000.
- To the extent bonus pay is included, and the governor does not approve a higher compensation for the CEO, expenditures of the TELC could decrease by an amount up to \$383,600.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director